



2010 DUTCH OFFICE MARKET REPORT

Occupier market trends in the Randstad

NL real estate in association with

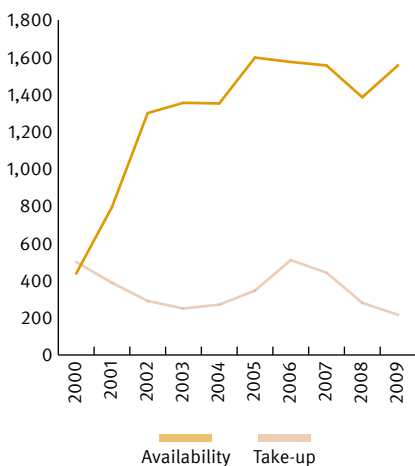
Knight Frank

HIGHLIGHTS

- The big four office markets of the Randstad enjoyed mixed fortunes during 2009. While take-up levels were down in Amsterdam and Rotterdam, Utrecht recorded a similar total to 2008, while The Hague saw increased activity.
- Within Amsterdam, a fall in take-up of around 20% was mainly attributable to a lack of large-scale transactions. However, demand for space in the city's South Axis has proved to be relatively robust, and this area continues to command the highest office rents in the Netherlands.
- Vacancy rates have increased substantially in all markets, most notably in Rotterdam where the amount of available space rose by 60% over the course of 2009. The increased levels of availability have put downward pressure on rents across the Randstad.

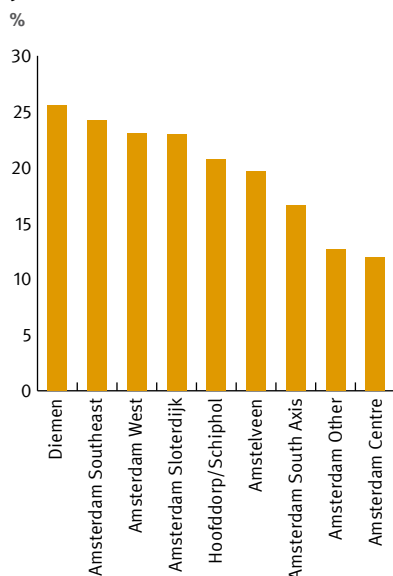
DEMAND FOR SPACE REMAINS STRONG IN AMSTERDAM'S SOUTH AXIS

Figure 1
Availability versus take-up
000s sq m



Source: Bak Property Research/Knight Frank

Figure 2
Vacancy rates by district,
year-end 2009



Source: Bak Property Research/Knight Frank

Amsterdam's main office districts



Amsterdam

Office take-up in the Amsterdam region in 2009 came to just over 215,000 sq m, about 20% down on the previous year. The fall in activity was mainly due to a lower amount of large-scale transactions, though numerous small and medium-sized transactions have continued to be concluded, particularly in the range from 500-1,500 sq m.

The reduced take-up in the region was mostly accounted for by the city of Amsterdam itself, where around 171,000 sq m of space was let or sold on the open market, compared with 230,000 sq m in 2008. The most notable declines in transactional activity were observed in the Southeast and Sloterdijk districts. However, demand in Amsterdam South and the South Axis proved relatively robust.

Improved take-up was observed in a number of satellite locations around the city, most noticeably Hoofddorp and Amstelveen. However, demand for office space in Diemen has been very limited, with no significant deals occurring in 2009.

The decline in overall take-up has been accompanied by an increase in the amount

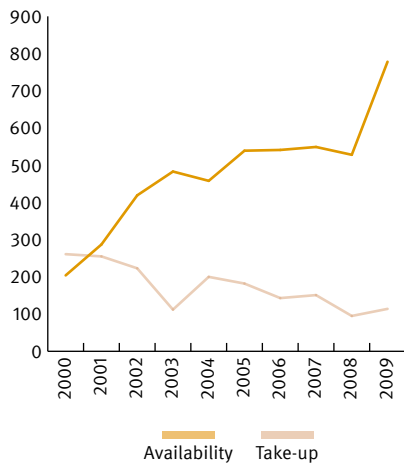
of office space available for immediate occupation. Availability increased to 1.55 million sq m by the end of 2009, approximately 18.5% of the total stock. While vacancy levels have risen across the region, the largest increases have been in the city of Amsterdam and Hoofddorp. As a result of the growing availability levels, headline rents have come under pressure and landlords have offered increased incentives to tenants.

Table 1
Office rents 2010 (€ per sq m pa)

District	Rental range
Amsterdam Centre	175 - 325
Amsterdam Sloterdijk	145 - 185
Amsterdam West	135 - 210
Amsterdam South Axis	275 - 340
Amsterdam Southeast	125 - 195
Amsterdam Other	135 - 190
Amstelveen	155 - 225
Diemen	125 - 155
Hoofddorp/Schiphol	125 - 325

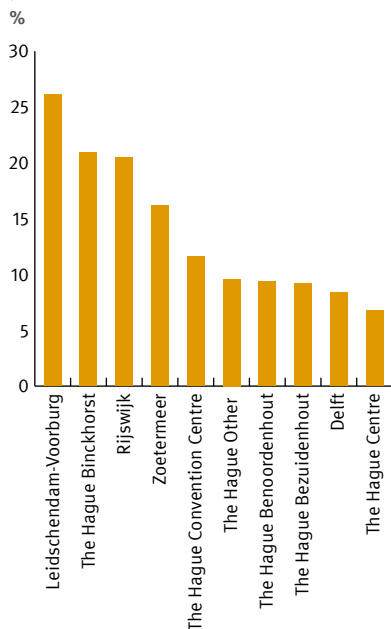
Source: Knight Frank

Figure 1
Availability versus take-up
000s sq m



Source: Bak Property Research/Knight Frank

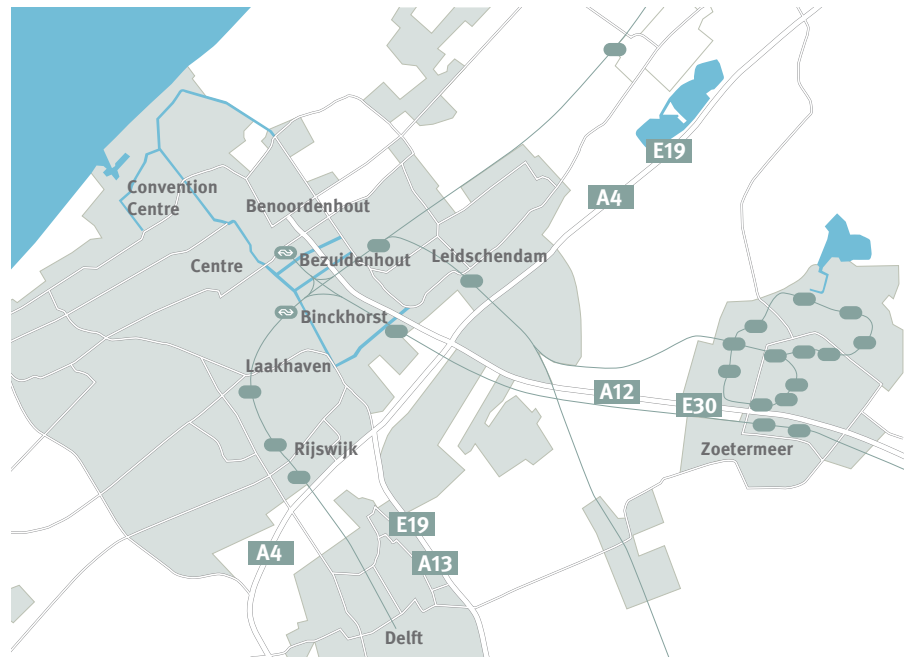
Figure 2
Vacancy rates by district,
year-end 2009



Source: Bak Property Research/Knight Frank

SEVERAL LARGE
TRANSACTIONS
HELPED TAKE-UP
TO IMPROVE
IN 2009

The Hague's main office districts



The Hague

Against expectations, office demand in The Hague region improved in 2009, with open market take-up rising by about 20% to reach 114,000 sq m. The increased activity was mainly a result of a number of large letting transactions in the city of The Hague. Notable deals included the letting of 20,000 sq m in the Bezuidenhout district to the Tax Authorities, as well as transactions involving KPMG, Aramco, Reclassering and GDF Suez. However, while The Hague office market has been buoyant, take-up levels in the neighbouring towns of Rijswijk and Zoetermeer were modest, at just 8,000 sq m and 12,000 sq m, respectively.

The strong level of letting activity in The Hague did not prevent the vacancy rate from rising during 2009. Availability has increased across the region, most notably in The Hague, Rijswijk and Delft. In the city of The Hague, the growth in availability was influenced by the release to the market of several office buildings formerly occupied by the telecommunications group KPN and the relocation of the Tax Authorities to new premises. The increase in availability most greatly affected the city centre, the

area around the Convention Centre, the Laakhaven district and the Binckhorst industrial estate. In the city centre, the amount of office space available for immediate occupation rose to 110,000 sq m at the end of 2009, while availability in Rijswijk jumped from 119,000 sq m to 183,000 sq m over the course of the year.

Table 1
Office rents 2010 (€ per sq m pa)

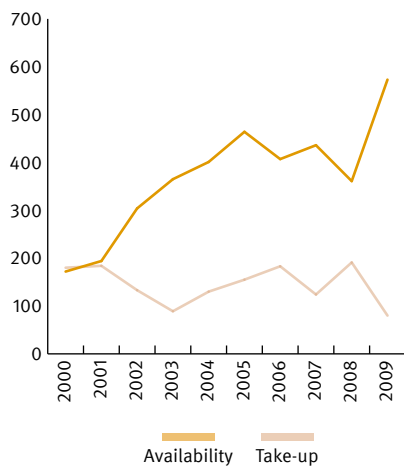
District	Rental range
The Hague Centre	135 - 230
The Hague Bezuidenhout	180 - 220
The Hague Benoordenhout	150 - 200
The Hague Binckhorst	125 - 160
The Hague	
Convention Centre	130 - 180
The Hague Other	90 - 180
Leidschendam-Voorburg	120 - 170
Rijswijk	90 - 160
Delft	110 - 150
Zoetermeer	100 - 165

Source: Knight Frank



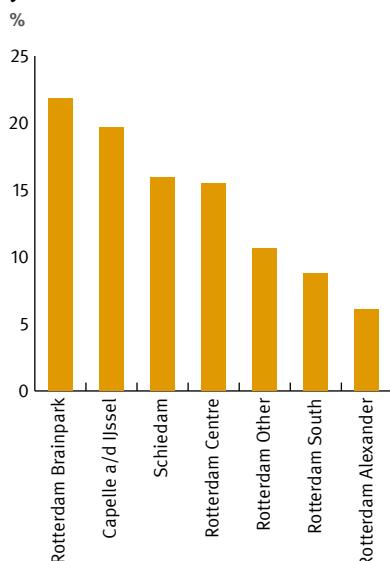
WITH LETTING ACTIVITY SLOWING, VACANCY RATES HAVE RISEN SHARPLY

Figure 1
Availability versus take-up
 000s sq m



Source: Bak Property Research/Knight Frank

Figure 2
Vacancy rates by district, year-end 2009



Source: Bak Property Research/Knight Frank

Rotterdam's main office districts



Rotterdam

Office take-up in the Rotterdam region in 2009 was down by 60% on the previous year, at 80,000 sq m. In the city itself, take-up was less than 60,000 sq m, the lowest figure on record. The reduced activity was mainly a result of an absence of large transactions, with the year's only sizeable deal being the letting of 4,000 sq m in the harbour area to Hexion Specialty Chemicals. There were also smaller deals involving De Hypothekers Associatie, Eneco, Stadstoezicht and Grant Thornton. Of the activity which did take place in Rotterdam, the vast majority occurred in the city centre.

Take-up in the town of Capelle a/d IJssel proved comparatively robust, with demand being mainly concentrated in the Rivium area. However, activity stagnated in the Schiedam municipality.

The amount of available space in the Rotterdam region unexpectedly leapt by 60% during 2009 to reach 573,000 sq m, which represents a vacancy rate of nearly 14%. Availability has risen to high levels in Capelle a/d IJssel and Schiedam, as well as in the city of Rotterdam. Within the city, the rise in vacancy rates was largely attributable to the

departure of office occupiers from premises in Admiraliteitskade, Blaak, Boompjes and Weena. In Blaak, the construction of new premises also contributed to increased availability.

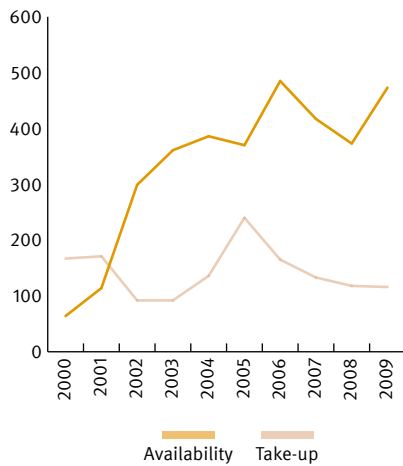
The vacancy rate in Rotterdam is expected to continue to rise in the longer term. A growing problem for the market is that much of the city's available space is in older buildings which will struggle to find tenants.

Table 1
Office rents 2010 (€ per sq m pa)

District	Rental range
Rotterdam Centre	85 - 200
Rotterdam Alexander	130 - 170
Rotterdam Brainpark	150 - 180
Rotterdam South	110 - 180
Rotterdam Other	100 - 155
Capelle a/d IJssel	100 - 160
Schiedam	120 - 140

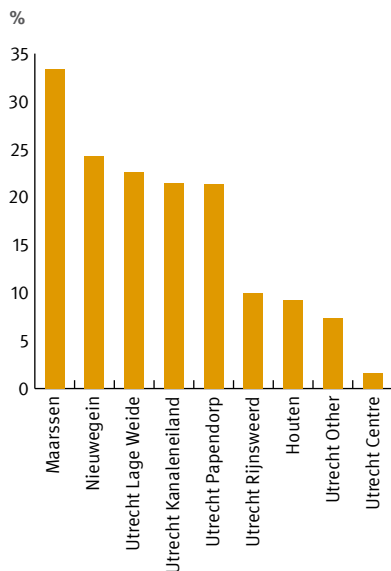
Source: Knight Frank

Figure 1
Availability versus take-up
 000s sq m



Source: Bak Property Research/Knight Frank

Figure 2
Vacancy rates by district, year-end 2009
 %



Source: Bak Property Research/Knight Frank

ROBUST TAKE-UP OF 115,000 SQ M WAS RECORDED IN 2009

Utrecht's main office districts



Utrecht

Demand for office space in the Utrecht region held up relatively well in 2009, with open market take-up of 115,000 sq m, matching 2008's total. In Utrecht city, take-up increased by 15% to reach 100,000 sq m, boosted by the sale of 31,000 sq m of office space in the Rijnsweerd district to the Province of Utrecht. A significant amount of space was let by the IT company Oracle in a new development along the A2 motorway, while transactions involving Schering Plough, Santander, CSC and Bol.com also contributed to the improved take-up.

However, letting activity was less impressive in the neighbouring municipalities of Nieuwegein, Houten and Maarssen. Take-up in Nieuwegein, for example, was recorded at just 9,000 sq m. Nieuwegein also saw availability rise sharply to 127,000 sq m, resulting in a vacancy rate of 24%.

Within the city of Utrecht, areas such as the Kanaleneiland and Papendorp districts saw

significant increases in their vacancy rates. However, the city centre saw a tightening of availability, pushing its vacancy rate below 3%. Availability in Utrecht may increase in 2010 when Rabobank relocate to their new head offices.

Table 1
Office rents 2010 (€ per sq m pa)

District	Rental range
Utrecht Centre	135 - 200
Utrecht Rijnsweerd	170 - 190
Utrecht Kanaleneiland	130 - 170
Utrecht Lage Weide	115 - 135
Utrecht Papendorp	165 - 200
Utrecht Other	130 - 180
Maarssen	125 - 145
Nieuwegein	100 - 145
Houten	100 - 135

Source: Knight Frank

RESEARCH



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